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Council approves the Navajo Nation Audit Report for FY 2011

WINDOW ROCK – Today, the Navajo Nation Council approved Legislation No. 0251-13, the audit report from KPMG LLP on the primary government of the Navajo Nation, for fiscal year 2011.

The majority of Council's discussion centered on the need for more comprehensive reporting regarding the Nation's Permanent Trust Fund investments and the need for in-depth audits at the chapter level.

Council Delegate Leonard Tsosie (Baca/Prewitt, Casamero Lake, Counselor, Littlewater, Ojo Encino, Pueblo Pintado, Torreon, Whitehorse Lake) stressed the need to include the 110 chapters in the annual audit to gain a clearer picture of the Nation's finances.

"I think the [Budget and Finance] Committee and this Council should take responsibility and have all audits be combined during budget season, so we can get a bigger and better picture of the state of Navajo Nation finances — meaning the chapters, the enterprises, and the primary government," said Delegate Tsosie.

Council Delegate Jonathan Hale (Oak Springs, St. Michaels) also voiced the need for in-depth chapter audits, aside from current performance audits conducted by the Navajo Nation Office of the Auditor General.

"The only time we hear of chapter financial situations is through investigations when money is missing," said Delegate Hale. "We need to be proactive in order to negate such happenings."

Council members were also provided with information regarding the Nation's Permanent Trust Fund, which showed that as of June 30, 2013, the Nation's investments were valued at approximately \$1.4 billion.

The Nation's Permanent Trust Fund was established in 1985 by the Council, mandating that 12 percent of the Nation's annual revenue be invested in the fund each year.

Council Delegate Danny Simpson (Becenti, Crownpoint, Huerfano, Lake Valley, Nageezi, Nahodishgish, Tse'ii'ahi, Whiterock) asserted that the Nation's trust fund has grown, contrary to suggestions that the Nation is subsidizing its own investment growth.

"We made a contribution of \$400 million as of June 30, 2013 and the balance sheet shows \$1.4 billion, so money is being made," said Delegate Simpson.

Delegate Tsosie also questioned the increase in personnel expense for the Nation in FY 2011 and urged his Council colleagues to re-evaluate personnel costs.

“Why is it that everyone’s pay is going up and nothing is happening out there?” asked Delegate Tsosie. “We need to shake our budget upside down, get rid of those that are not working, and identify those that we need.”

At the conclusion of the two hour discussion, Council members voted 12-4 in support of Legislation No. 0251-13.

During a Naabik’iyátí’ Committee meeting held last Friday, Council Delegate Jonathan Nez (Shonto, Navajo Mountain, Oljato, Ts’ah Bii Kin) explained to fellow committee colleagues that the FY 2012 and 2013 audits have yet to be completed due to a court order that blocked access to Administration Buildings One and Two, which contained financial documents necessary to complete the audits.

As a result, the FY 2011 audit was the only item discussed at today’s Council’s session.

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